

## **FISCAL NOTE**

### **HB 361 - SB 601**

February 10, 2005

**SUMMARY OF BILL:** Amends Tennessee Education Lottery Implementation Law by removing language that prohibits additional compensation being paid to retailers for the cashing of lottery tickets or shares.

#### **ESTIMATED FISCAL IMPACT:**

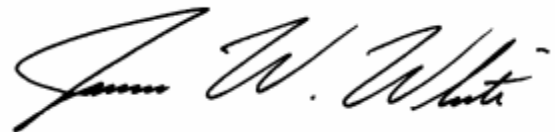
**Other Fiscal Impact – Net Impact - Increase in net lottery proceeds estimated at approximately \$100,000. Lottery corporation expenses may increase as a result of this legislation. However, it is expected that this increase in expenditures would be offset by a larger increase in lottery revenues.**

Assumptions:

- Currently, a six and one-half percent commission on sales is being paid to lottery retailers for the sale and cashing of lottery tickets or shares.
- No additional bonus or compensation is currently being paid to a lottery retailer for the cashing of a winning ticket or share.
- Any additional compensation to be paid to retailers for cashing of lottery tickets or shares would increase lottery expenditures and would need to be approved by the Tennessee Education Lottery Corporation (TELC) Board of Directors.
- It is estimated that by allowing an additional cashing bonus or commission would serve as an additional incentive to retailers to sell more lottery tickets or shares; thus generating more revenue.
- Net lottery proceeds are estimated to increase by approximately \$100,000.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director